

# MOLY HILL MINING CORPORATION LIMITED



*Prospectus*

*Under The Securities Act, (Ontario)*





# Moly Hill Mining Corporation Limited

## PROSPECTUS

### UNDER THE SECURITIES ACT, (ONTARIO)

1. Moly Hill Mining Corporation Limited, hereinafter called the "Company", was incorporated under the laws of the Province of Ontario by Letters Patent dated 19th August, 1964. The head office of the Company is situate at 1130 Bay Street, Toronto, Ontario.

2. (a) The names in full, present occupation and home address of the officers and directors of the Company are as follows:

GILLES ERNEST HUOT	Executive	President, General Manager and Director
30 Richelieu Ave., Noranda, Quebec.		
DAMASE FORTIN	General Contractor	Vice-President and Director
369 Godbout Street, Rouyn, Quebec.		
PAUL JEROME CARRIERE	Executive	Secretary and Director
101 Principale Street, Amos, Quebec.		
ALLEN CALVERT LEE	Consulting Engineer	Director
126 3rd Street, Noranda, Quebec.		
PHILIPPE TURGEON	Executive	Treasurer and Director
172 1st Ave. West, Amos, Quebec.		
JOHN HENRY KENTISH	Executive	Director
880 La Salle Blvd., Malartic, Quebec.		
EVERETT VINSON	Executive	Director
545 Roundtree Drive, Sarasota, Florida, U.S.A.		

(b) The promoter of the Company is Moly Metal Sales Limited having its head office at 1130 Bay Street, Toronto, Ontario. The Company is informed that the only persons having an interest of more than 5% in the capital of Moly Metal Sales Limited are John William Kentish, 565 Avenue Road, Toronto, Ontario, Terrence James Donnelly, 565 Avenue Road, Toronto, Ontario and Stanley Joseph Daigneault, 332 Russell Hill Road, Toronto, Ontario.

(c) The auditors of the Company are Davignon, L'Abbé & Cie, Chartered Accountants, 1290 Saint Denis Street, Montreal, Quebec.

3. The Registrar and Transfer Agent of the Company is Canada Permanent Trust Company at its offices at 253 Bay Street, Toronto, Ontario and 350 Notre Dame Street West, Montreal, Quebec.

4. The authorized share capital of the Company consists of 5,000,000 shares of the par value of \$1 each of which 900,007 shares have been issued and are outstanding as fully paid up.

5. There are no bonds or debentures outstanding nor does the Company propose to issue any.

6. 900,000 shares in the capital stock of the Company are held in escrow by Canada Permanent Trust Company at its office at 253 Bay Street, Toronto, Ontario, subject to release pro rata to all persons entitled thereto upon the written consents under the applicable laws of the Province of Quebec, the Ontario Securities Commission and the directors of the Company being first had and obtained. The written consents as required under the applicable laws of the Province of Quebec and by the Ontario Securities Commission is also required for the transfer, hypothecation, assignment or other alienation of shares within the escrow.

To the knowledge of the signatories hereto there is no existing agreement for transfer of shares within this escrow except that, firstly, John Henry Kentish has agreed, subject to the consents under the applicable laws of the Province of Quebec and the Ontario Securities Commission being first had and obtained, to transfer 50,000 of the said 900,000 shares to or to the nominee of Gilles Ernest Huot, and secondly, Lorenzo Leonce Antonio Monpas has granted an option with respect to 103,400 of the said 900,000 shares such option to be exercised prior to 19th September, 1965 to the said Gilles Ernest Huot, Damase Fortin, Philippe Turgeon and Paul Jerome Carriere for the sale to them in equal parts thereof subject to the aforementioned consents being first had and obtained.

7. (a) The following shares have been issued for cash:

7 shares @ \$1.00 per share \$7.00

No commission was paid on the issue of these shares.

(b) No securities, other than shares, have been sold for cash by the Company.



(c) Apart from the shares covered by the underwriting agreement mentioned in paragraph 10 (a) hereof, no shares have been issued or are to be issued and no cash has been paid or is to be paid to any promoter.

8. (a) The Company is the holder of the following contiguous mining claims situate in ranges I, II, III, Preissac and Lamotte Townships, Abitibi-East County, Province of Quebec, covering an area of approximately 3,032 acres:

Township	Development License or Certificate Number	Claim Numbers	Lot Numbers	Range	Official Acreage
Lamotte	G-8909	2	4	II	100
Lamotte	G-8908	2	5	II	100
Lamotte	196554	1	5	I	76
Lamotte	196554	2	4	I	76
Lamotte	196770	1	7	II	100
Lamotte	196770	2	6	II	100
Lamotte	201219	1	8	II	100
Lamotte	201219	2	3	II	100
Lamotte	203486	1	6	III	100
Lamotte	203486	2	5	III	100
Lamotte	203487	1	4	III	100
Lamotte	203487	2	3	III	100
Lamotte	203488	1	2	II	100
Lamotte	203488	2	2	III	100
Lamotte	203489	1	6	I	70
Lamotte	203489	2	7	I	70
Lamotte	206012	2	10	I	70
Lamotte	207262	1	1	II	138
Lamotte	207262	2	½S.1	III	69
Preissac	207263	1	58	II	138
Preissac	207263	2	½S.58	III	69
Lamotte	207264	1	N.½1	III	69
Preissac	207264	2	N.½58	III	69
Lamotte	207264	3	9	II	100
Preissac	215542	1	58	I	96
Preissac	215542	2	57	I	74
Lamotte	215892	1	3	I	74
Lamotte	215893	1	1	I	100
Lamotte	215893	2	2	I	74
Preissac	217019	1	55	II	100
Preissac	217019	2	54	II	100
Preissac	217021	1	57	II	100
Preissac	217021	2	56	II	100

(b) The aforesaid mining claims were acquired by the Company in September, 1964, the Vendors thereof to the Company being Gilles Ernest Huot, 30 Richelieu Avenue, Noranda, Quebec, Damase Fortin, 369 Godbout Street, Rouyn, Quebec, Philippe Turgeon, 172 1st. Avenue West, Amos, Quebec, Paul Jerome Carriere, 101 Principale Street, Amos, Quebec, Lorenzo Leonce Antonio Monpas, P.O. Box 339, Amos, Quebec, Joseph Oscar Belanger, 101 1st Avenue, Amos, Quebec, Georges Heliodore Dumont, 1011 Sixth Street, Val d'Or, Quebec, John Henry Kentish, 880 La Salle Blvd., Malartic, Quebec and Utufora Mining Company Limited (No Personal Liability) (hereinafter called "Utufora") having its head office at 146 Main Street, Rouyn, Quebec.

The Company is informed that the only persons having an interest of more than 5% in the capital of Utufora are the said Gilles Ernest Huot, Damase Fortin, Philippe Turgeon, Paul Jerome Carriere, Lorenzo Leonce Antonio Monpas and Joseph Oscar Belanger.

The consideration paid by the Company for this acquisition consisted of (i) 900,000 fully paid shares in the capital stock of the Company issued to the said Vendors and (ii) a promissory note in the principal amount of \$100,000 made payable to Utufora to reimburse Utufora for expenditures incurred by it with respect to the mining claims which it transferred to the Company. The said promissory note bears interest at the rate of 6% per annum both before as well as after maturity and is to be redeemed by the Company at the rate of \$20,000 per year until the principal amount thereof together with all accrued and unpaid interest thereon is paid, the first of such payments to become due and payable on the 19th August, 1965.

Except as stated in paragraph 6 hereof, the signatories hereto have no knowledge of any person who has received or is to receive from any of the said Vendors a greater than 5% interest in the shares so received by the said Vendors.

9. The particulars relating to the Company's mining properties including the means of access thereto, the character, extent and condition of any underground and surface exploration and development and the known history of the properties and a description of the work done and improvements made by the present management are set out in the Engineer's Report of John A. Honsberger, Professional Engineer, dated September 30, 1964, which forms part of this prospectus. There is no mining plant or equipment on the Company's properties.



10. (a) The Company has entered into an underwriting agreement dated September 16, 1964, with Ross, Knowles & Company Limited (herein referred to as the "underwriter") on behalf of their client Moly Metal Sales Limited, under which the underwriter has agreed, on and subject to the terms and conditions of the said agreement, to purchase from the Company 600,000 fully paid and non-assessable shares of the Company's capital stock in 3 blocks of 200,000 shares each at 10¢, 12½¢ and 15¢ per share, respectively, payable forthwith upon the acceptance of a prospectus of the Company for filing under the applicable laws of the Province of Quebec and the Ontario Securities Commission (herein referred to as the "effective date"). The underwriter has also agreed to purchase from the Company 400,000 fully paid and non-assessable shares of the Company's capital stock in 2 blocks of 200,000 shares each at 17½¢ and 20¢ per share, respectively, payable within 60 days of the effective date.

(b) Apart from the underwriting agreement mentioned in sub-paragraph (a) of this paragraph there are no securities covered by option agreements or underwriting agreements entered into by the Company which are now outstanding nor are any such agreements proposed to be entered into.

11. The Company intends to explore and develop its properties in accordance with the recommendations of its Engineer, John A. Honsberger, as set forth in his report dated September 30, 1964, which appears in this prospectus and to which reference is hereby expressly made.

12. The development and exploration expenses incurred to date on the Company's properties are \$100,612.64 along with administrative expenses of \$8,066.00 which latter amount includes the sum of \$6,275.11 representing the cost of property management incurred with respect to the mining claims transferred to the Company by Utufora.

The foreseeable future development expenses are estimated at \$65,000 and administrative expenses estimated at \$6,000.

13. There is no indebtedness intended to be created or assumed which is not shown in the balance sheet dated September 19, 1964, filed herewith and forming part of this prospectus.

14. (a) The following are the particulars with regard to the principal business in which each director or officer of the Company has been engaged during the past three years:

GILLES ERNEST HUOT	President of Abitibi Factors Co. Limited and Northern Quebec Credit Bureaus Ltd., and since August, 1963, President of Utufora Mining Company Limited (N.P.L.).
DAMASE FORTIN	President of D. Fortin Limited, General Contracting, and since September, 1962, Vice-President of Abitibi Factors Co. Limited and since August, 1963, Vice-President of Utufora Mining Company Limited (N.P.L.).
PAUL JEROME CARRIERE	Managing Director of Carriere Lumber Limited and Sales Manager of J. R. Lumber Co. Limited and since July, 1964, Secretary of Utufora Mining Company Limited (N.P.L.).
PHILIPPE TURGEON	Proprietor of P. Turgeon Shoe Store, Amos, Quebec and since November, 1962, Secretary-Treasurer of Abitibi Factors Co. Limited and since August, 1963, Treasurer of Utufora Mining Company Limited (N.P.L.).
ALLEN CALVERT LEE	Consulting Engineer on own account.
JOHN HENRY KENTISH	President of Anglo American Molybdenite Mining Corporation (N.P.L.) and General Manager of Dumont Nickel Corporation (N.P.L.) and President of Kentish Enterprise, operating hotels and clubs.
EVERETT VINSON	Chairman and Director of National Bank of Sarasota, Sarasota, Florida, U.S.A.

(b) No director or officer of the Company, except Gilles Ernest Huot, Damase Fortin, Paul Jerome Carriere, Philippe Turgeon and John Henry Kentish, has ever had any interest, direct or indirect, whether personally or as a partner in a firm, in any property acquired or now proposed to be acquired by the Company. Reference is made to paragraph 8 (b) hereof.

(c) No remuneration has been paid to either the directors or officers of the Company as such since incorporation. It is estimated that the aggregate remuneration payable by the Company during the current financial year to officers of the Company as such will be \$6,000. It is estimated that each director of the Company will receive \$25 for each meeting attended by him during the current financial year.

15. No dividends have been paid by the Company.

16. By reason of (i) an agreement entered into among the Vendors as outlined in paragraph 8 (b) hereof wherein the said Vendors have transferred their escrowed shares to Canada Permanent Trust Company, as trustee, to vote the said escrowed shares at any and all meetings of the shareholders of the Company pursuant to the directions of Utufora for so long as the said escrowed shares shall remain in escrow as provided in paragraph 6 hereof and (ii) an agreement entered into by the Company with Moly Metal Sales Limited wherein the latter has agreed to deposit in trust with Utufora 100,000 of the shares in the capital stock of the Company which the underwriter is underwriting on its behalf as outlined in paragraph 10 (a) hereof and further to vote the said 100,000 shares pursuant to the direction of Utufora until such time as 400,000 shares



in the capital stock of the Company has been distributed to the public to the satisfaction of Utufora, the said Utufora is in a position to elect the Board of Directors of the Company.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required or exigible.

DATED the 21st day of December, 1964.

#### DIRECTORS

(Signed) G. E. HUOT

(Signed) A. C. LEE

(Signed) DAMASE FORTIN

(Signed) J. H. KENTISH

(Signed) P. J. CARRIERE

(Signed) PHILIPPE TURGEON

(Signed) EVERETT VINSON

#### PROMOTER

MOLY METAL SALES LIMITED

By: (Signed) J. W. KENTISH

(Reference is made to paragraph 2 (b) of this Statutory Information as to those having more than a 5% interest in the capital of Moly Metal Sales Limited.)

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

#### UNDERWRITER

ROSS, KNOWLES & COMPANY LIMITED

By: (Signed) S. M. MacKay

The following are the names of all persons having an interest, directly or indirectly, to the extent of not less than 5% in the capital of Ross, Knowles & Company Limited: Donald G. Ross, George C. Knowles, S. M. MacKay and F. J. Crawford.

# Moly Hill Mining Corporation Limited

## *Balance Sheet as at 19th September, 1964*

### ASSETS

#### CURRENT ASSETS:

Cash in Bank .....	\$	7.00
--------------------	----	------

#### FIXED ASSETS:

Mining Claims acquired by the issue of 900,000 shares valued at \$0.10 per share .....	\$	90,000.00
--	----	-----------

#### DEFERRED EXPENSES:

Exploration and Development Expenses, Schedule "A" .....	\$ 97,237.19	
General and Administrative Expenses, Schedule "B" .....	8,066.00	105,303.19
		<u>195,303.19</u>

LESS: Excess of deferred expenditures acquired from predecessor company over consideration paid therefor .....	5,303.19	190,000.00
		<u><u>\$190,007.00</u></u>

### LIABILITIES

#### LONG TERM LIABILITIES:

6% Promissory note, redeemable by annual instalment payments of \$20,000.00 each with the first of such instalment payment becoming due and payable on 19th August, 1965 .....	\$100,000.00
--	--------------

#### CAPITAL STOCK:

##### Authorized:

5,000,000 shares of a par value of \$1.00 each .....	<u><u>\$ 5,000,000.00</u></u>
--	-------------------------------

##### Issued:

##### For Cash:

7 shares of a par value of \$1.00 each .....	\$	7.00
--	----	------

##### For Mining Claims:

900,000 shares of a par value of \$1.00 each .....	\$900,000.00	
Less: Discount thereon .....	810,000.00	90,000.00
		<u>90,007.00</u>
		<u><u>\$190,007.00</u></u>

NOTE: Pursuant to an agreement dated September 16, 1964, subject to qualification under the applicable laws of the Province of Quebec and by the Ontario Securities Commission Ross, Knowles & Company Limited, acting on behalf of their client, Moly Metal Sales Limited, agreed to purchase 600,000 shares in the capital stock of the Company in 3 blocks of 200,000 shares each at \$0.10, \$0.125 and \$0.15 per share, respectively, payable forthwith after the date of qualification and further agreed to purchase an additional 400,000 shares in 2 blocks of 200,000 shares each at \$0.175 and \$0.20 per share, respectively, payable within 60 days from the date of qualification.

Approved on behalf of the Board:

(Signed) G. E. HUOT, Director

(Signed) P. J. CARRIERE, Director



# Moly Hill Mining Corporation Limited

## SCHEDULE "A"

### STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES AS AT 19th SEPTEMBER, 1964

Assays and tests .....	\$ 354.35	
Blasting, excavating, milling, extracting and hauling expenses .....	97,733.50	
Geologist and engineering fees .....	975.00	
Staking and recording of licenses .....	780.15	
Taxes — stumpage fees .....	60.00	
Travelling expenses .....	709.64	\$100,612.64
<i>Less: Income from metal recoveries .....</i>		<u>3,375.45</u>
Balance as at September 19, 1964 .....		<u>\$ 97,237.19</u>

## SCHEDULE "B"

### STATEMENT OF DEFERRED GENERAL AND ADMINISTRATIVE EXPENSES AS AT 19th SEPTEMBER, 1964

Interest .....	\$ 492.30	
Management fees .....	6,275.11	
Office and clerical work .....	667.57	
Stationery and miscellaneous office expenses .....	428.10	
Taxes .....	75.00	
Travelling expenses .....	127.92	
Balance as at September 19, 1964 .....		<u>\$ 8,066.00</u>

## AUDITORS' REPORT

To the Directors of  
MOLY HILL MINING CORPORATION LIMITED:

Montreal, Quebec,  
October 5, 1964.

We have examined the balance sheet of MOLY HILL MINING CORPORATION LIMITED as at 19th September, 1964, the related statements of deferred development and exploration expenses and deferred general and administrative expenses as at that date. We have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The deferred development, exploration, general and administrative expenses amounting to \$105,303.19 were acquired from the predecessor company for a price of \$100,000.00 covered by a 6% promissory note.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and related statements of deferred development and exploration expenses and deferred general and administrative expenses are properly drawn up so as to exhibit a fair view of the state of the affairs of the company as at 19th September, 1964, and the results of its operations as at that date, in accordance with generally accepted accounting principles.

(signed) DAVIGNON, L'ABBE & CIE,

Chartered Accountants.



REPORT ON THE  
PREISSAC-LAMOTTE TOWNSHIP PROPERTY OF

# Moly Hill Mining Corporation Limited

## INTRODUCTION

Moly Hill Mining Corporation holds 33 contiguous claims totalling 3,032 acres located in the south-west corner of Lamotte township and south-east portion of Preissac township, Abitibi, Quebec.

This report describes the geology and mineralization of the known molybdenite-bismuthinite deposit located on Lot 5, Range II, Lamotte township. It includes a summary of previous exploration and development undertaken on the property, metallurgical testing, and current developments on the company's holdings.

Recommendations are made for a continued exploration and development program.

## PROPERTY

The mineral rights held by Moly Hill Mining Corporation cover an area of 3,032 acres located in ranges I, II, III, Preissac and Lamotte townships. The 33 contiguous claims form a solid, although somewhat irregular shaped block extending for a maximum distance of 2.7 miles in a north-south direction and having an east-west extent of between 1.1 and 2.2 miles.

A complete listing of titles, including certificates, range, claim and lot numbers, official acreages and expiry dates, as registered in good standing with the Quebec Dept. of Natural Resources, is to be found in the appendix of this report.

## LOCATION AND ACCESS

The property is located 6 miles north of the village of Heva River, which in turn is situated midway between the towns of Malartic and Cadillac on provincial highway 59, Route 61, a gravel road between Heva River and Amos passes within one mile of the property. The company has constructed  $1\frac{3}{4}$  miles of road making the total distance 6 miles between Heva River and the main mineralized zone located on Lot 5, Range II, Lamotte township.

The towns of Malartic and Cadillac are located approximately 15 miles east and west respectively of the company holdings. Experienced mine labor and all necessary services required of mining operations are therefore readily assured. A major 60 cycle hydro transmission line extending from the generating station on the Ottawa River north as far as Mattagami, Quebec, passes through the eastern end of the claim group.

Adequate water is available for all future mining requirements as the Cadillac River flows south-westward through the middle of the property.

## TOPOGRAPHY AND GENERAL GEOLOGY

The topography is covered by map No. 32 D/8 of the National Topographic Series on a scale of 1:50,000. Stereoscopic aerial photographs may be obtained from the National Air Photograph Library, Ottawa.

The south-eastern and central portions of the property exhibit fairly extensive outcrops while the balance of the property in Lamotte and Preissac townships constitutes low ground which is essentially drift covered.

A prominent muscovite granite ridge from which the company derives its name, is located in lots 4 and 5, range II, Lamotte township. The east face of the hill has been stripped and benched exposing the main mineralized zone explored to date on the claims.

The general geology of the Preissac-Lacorne district is characterized by the Lacorne batholith which is actually a cluster of granitic intrusives. The entire batholithic complex spreads over an area of 36 miles in an east-west direction and 15 miles in a north-south direction. It is formed by acid granites, which in early Precambrian time, intruded the greenstone and sediments as well as the pre-granite peridotite sills of the very early Precambrian series.

The batholithic complex is separated into three main masses. The Moly Hill property is situated on the south-eastern margin of the Preissac batholith which is 10 miles long and varies up to 4 miles in width.

During the late Precambrian period the general area was subjected to stresses which resulted in major fractures, most of which later became filled by diabase dikes of Keweenawan age. These dikes have a remarkable linear persistency and are known to extend over many miles, generally trending in a north-east, southwesterly direction. According to Q.D.M. Map 1229, (P.R. 405), one such dike is shown intruding the south eastern portion of the claim group.

Adjacent north and east of the presently exposed face on the granite ridge is a considerable mass of peridotite. A pegmatite dike intrudes between the granite-peridotite contact.

## ECONOMIC GEOLOGY

The first discovery of molybdenite mineralization came in 1901, when  $\text{MoS}_2$  was discovered on the west shore of Preissac Lake. Since then, three separate commercial deposits of molybdenite have resulted in



mining operations; at the Lacorne mine, beginning in 1915, the Indian deposit in Preissac township discovered in 1942, and the Anglo American deposit, also in Preissac township, in 1959.

The Lacorne mine is operating on a 900 TPD mill rate, the Indian deposit is just now resuming production on completion of a 600 TPD mill and the Anglo American property is scheduled for production in 1965 on completion of a 1,000 TPD mill now under construction.

Molybdenite-bismuthinite mineralization is found associated with quartz veining and pegmatite dikes within the granitic complex, near the margins of the major batholiths. The three above mentioned deposits occur under like circumstances, as does the Moly Hill zone, now under surface development.

In the vicinity, and also near the contact zone of the major batholiths are a nickel producer and a lithium operation. Marbridge Mines, located 1½ miles north of the Moly Hill property, is currently shipping 400 tons of high grade Ni-Cu ore to the Canadian Malartic mill.

Much of the region is overlain by heavy overburden and numerous lakes, however intensive research and exploration will no doubt result in the discovery of further sulphide deposits along the contact areas of the batholithic complex.

## HISTORY

Due to the area's proximity to the Cadillac break and the history of molybdenite discoveries, numerous reports and maps have been prepared, including those by Bancroft, Norman, Keatings, Dawson and Latulippe, as well as by G.S.C. and provincial geologists and many mining companies.

In 1940, B. J. Keatings examined the property and as a result, Paramount Mines opened three trenches in the widest part of the exposed mineralized zone, located on the east side of a prominent ridge, lot 5 Range II, Lamotte township.

In 1942, after a visit to the showing, Norman wrote a report estimating the grade of the exposed mineralization to be between 0.50-1.0% MoS<sub>2</sub>.

Dupas Metals acquired the property in 1951 and undertook limited exploration intermittently until 1959. During this program 5 diamond drill holes totalling 996 feet were drilled to investigate the main zone.

The Quebec Dept. of Mines visited the property during 1958-61-63. M. Latulippe, resident provincial geologist, summarized all previous work. Reports and maps are available.

Utufora Mines assumed controlling interest in the property in 1963 and undertook a considerable exploration and development program which included road and bridge construction beyond the limit of an existing range road, stripping and trenching on the main zone, sampling and mill testing both at the Lacorne mine and at Ottawa under the Federal Dept. of Mines and Surveys Branch.

Recently, the property has been enlarged by staking and Moly Hill Mining Corporation has been incorporated to direct the further exploration and development of the property.

The new showings have been uncovered on the property in recent weeks. One is located some 1,000 feet in a south-westerly direction from the main zone. The other is a high grade molybdenite occurrence within a strong chloritic shear located some 2,000 feet north-west of the main showing. Stripping and rock trenching are currently in progress on this new zone.

Concurrently, a magnetometer survey is being conducted over the central portion of the property in order to outline the main contact areas.

## RESULTS

During 1941-42, Paramount Mines cut three rock trenches across the mineralized zone occurring on the east side of the granitic ridge. Assay values are reported to be 1.26% MoS<sub>2</sub> across 90.0 feet and 6.90% MoS<sub>2</sub> across 4.0 feet in two of the three trenches.

Norman visited the property in 1942. In his report he estimated that the mineralized zone would grade between 0.50%-1.0% MoS<sub>2</sub> over a width of 50.0 feet.

In 1951, G. H. Dumont reported on the property for Dupas Metals, and included in his report a combined tonnage estimate of 79,500 tons grading 1.0% MoS<sub>2</sub> in two separate shoots.

Dupas Metals drilled five holes between 1957-59, totalling 996 feet. Four holes were drilled to investigate the down dip extension of the main zone. In each of the holes MoS<sub>2</sub> mineralization was encountered in quartz at bedrock surface. A 30° easterly dip of the zone was revealed. The fifth hole was designed to explore the peridotite-granite contact.

Assay results of the drilling are as follows:

<u>D.D.H.</u>	<u>From</u>	<u>To</u>	<u>Core Length</u>	<u>MoS<sub>2</sub></u>	<u>Bi</u>
1	11.1 —	23.8	12.7	0.050	Nil
2	36.0 —	46.8	10.8	0.280	Tr.
3	41.9 —	52.5	10.6	0.144	0.063
4	42.8 —	51.6	8.8	0.430	0.022
5	227.5 —	235.0	7.5	0.220	-----

After an examination of the property in 1961, M. Latulippe, resident provincial geologist, reports the existence of a large flat dike, dipping at 30° to the east along the peridotite-granite contact. Below the dike a stockwork of feeder dikes have been mapped as striking variously between N10°E to N60°E and dipping between 30°-80° east.

Between June-December, 1963, Utufora Mines extended a road from the end of an existing range road to the property site. At this time a 50-foot bridge was built to span the Cadillac river at the point where the river crosses the common range I-II line.



Stripping of overburden extended the mineralized zone further 30 feet down dip. The fine gravel overburden was bulldozed flat to form a level surface of area 200 x 500 feet which was later utilized as a crushing and stock piling site. An air compressor and pluggers were used to blast rock from five trenches on the hillside.

Approximately 1,500 tons of molybdenite bearing quartz and granite were removed from trench No. 2, hauled to the crushing site, crushed to ½ inch size, then stockpiled. Of this material, 300 tons were shipped to the Lacorne mill.

Similarly, 3,000 tons of rock were broken in trench No. 4, crushed and stockpiled. Subsequently, 800 tons of this material was shipped to the same mill.

Concurrent with mill testing at the Lacorne mill, a 660 lb. sample of molybdenite bearing rock was shipped to the Minerals Processing Division of the Dept. of Mines and Technical Surveys, Ottawa.

Testwork at both plants indicates that a high grade molybdenite concentrate can be produced from the ore zone with excellent recovery. The only impurity of consequence in the resulting concentrate is bismuth. Acid leaching should eliminate the impurity. Bismuth recovery at the Lacorne mill was low due to the fine Bi not floating off with the circuit adjusted to float MoS<sub>2</sub> and Bi combined as designed for their particular ore type. However, with adjustments to meet the Moly Hill ore type a minimum recovery of 75%-80% Bi might be expected.

This summer, a showing approximately 1,000 feet south-west of the main zone, on the south-east edge of the granite knoll was discovered. It is a natural, weathered exposure having a north-south extent of 50 feet and a width averaging 20 feet. It is characterized by coarse, disseminated crystals of MoS<sub>2</sub> in a pegmatitic phase of the granite. The new discovery is believed to lie near the main contact and may indicate the locale of another major zone.

More recently, an entirely new and more important discovery was made some 2,000 feet north-west of the main mineralized zone. It consists of a chloritized shear zone believed to be the contact phase between the granite and peridotite. Massive, platy molybdenite occurs within the shear. A grab sample taken by the writer at the discovery site assayed 11.75% MoS<sub>2</sub>. Bismuth was not present in the sample.

During the past week two bulldozers have opened a road to the site and have begun stripping the zone. An air compressor and pluggers are at work preparatory to blasting open the shear to determine width. As of this writing the shear has been exposed over a length of some 200 feet and occurrences of even higher grade material have been noted. It appears that the shear strikes slightly north of west and dips at about 30° to the north.

At this stage is it too early to determine what strike length or width the shear will assume, however it is certain to yield a much higher MoS<sub>2</sub> content. It is not characteristic of the molybdenite zones to the south-west in which the molybdenite occurs as disseminated crystals in the quartz and permatites. Selected samples containing massive molybdenite taken along the shear are conservatively estimated to grade higher than 20% MoS<sub>2</sub>.

Work is proceeding on this new zone while the magnetometer survey is in progress. Only the central portion of the property is to be surveyed at this time in order to better outline contact zones for diamond drilling.

## GEOLOGY

The main mineralized zone exposed in stripping and trenching operations, indicates a complex structure of quartz veins and pegmatite dikes intruded into the muscovite granite at the east margin of the Preissac batholith.

Two systems of near vertical veins combine to form a large mass of pegmatite quartz at the granite-peridotite contact. One vein system strikes N30°E and dips 70° to vertically south-eastward. The other strikes east-west and dips between 85° north to 85° south.

### N30°E Veins

The width of these veins vary between a few inches and 15 feet. They form a solid, closely knit stockwork that crisscrosses one another and in some locations form 90% of the exposed surface of the hill. Vertical and horizontal extent of the vein system has not as yet been determined but has been exposed for greater than 100 feet in both dimensions. The major vein material consists of milky quartz, variable amounts of pink feldspar and muscovite, sulphides of MoS<sub>2</sub>, Bi<sub>2</sub>S<sub>3</sub>, native bismuth, pyrite, chalcopyrite and a few rare crystals of tantalite. The average composition exclusive of sulphide content would be 70% quartz, 25% pink feldspar and 5% muscovite.

Westward, the veins appear to pinch into the granite, the wider more consistant ones extending to the east-west vein system. To the east they disappear below the overburden, with the result that their eastward limit is unknown. The majority of the blocked out tonnage is contained in this vein system.

### East-West Veins

The veins are generally wider, longer and more constant than that of the other system, but are not nearly as abundant. They are composed of nearly solid milky quartz; pink feldspar and muscovite accounting for less than 5% combined.

At the junction of the two systems the pink feldspar content increases to above 40%, likewise, the muscovite to approximately 10%. This is also the locus of the only ore grade molybdenite to be found in this particular system.

### Molybdenite

MoS<sub>2</sub> occurs in rozettes, some as large as two inches in diameter, in small individual crystals within the feldspar and muscovite, and floating freely in the quartz. The intensity of MoS<sub>2</sub> rozettes and crystals



increases in direct proportion to the feldspar and muscovite ratio, and reaches maximum concentration within the feldspar and muscovite.

**Bismuth**

Bismuth was observed in appreciable amount only after trenching was completed. It occurs in concentrations of long slender crystals and needles of bismuthinite within the quartz and feldspar and the highest concentration occurs where maximum MoS<sub>2</sub> is present.

**SURFACE TONNAGE**

The major portion of the tonnage outlined to date in trenching the two vein systems for depths of up to 11 feet, is to be found in the N30°E complex.

As a result of surface stripping, trenching, diamond drilling, mapping, sampling, assaying and finally mill testing it has been established that the two surface zones would yield a combined indicated tonnage of 63,125 tons, grading 0.20% MoS<sub>2</sub> and 0.025% Bi. Inferred reserves have been set at 141,666 tons of like grade, for a total of indicated and inferred tonnage in excess of 200,000 tons. It is to be noted that a considerable portion of the mineralized body exists in the hillside above average surface elevation and would be amenable to economical open cut mining methods.

The major portion of this tonnage is to be found in the N30°E system. Mapping has determined two parallel zones 40 feet apart in the N30°E system and one zone within the E-W veins. The tonnage may be broken down under headings as follows:

INDICATED TONNAGE				INFERRED TONNAGE					
N30°E Veins									
	L	W	H		L	W	H		
	100 x 75 x 90				150 x 100 x 100				
North Zone	<hr/>			=	28,125	<hr/>		=	62,500
	2 x 12					2 x 12			
	70 x 75 x 80					100 x 100 x 90			
South Zone	<hr/>			=	17,500	<hr/>		=	37,500
	2 x 12					2 x 12			
East-West Veins									
	60 x 35 x 100					100 x 50 x 100			
South Zone	<hr/>			=	17,500	<hr/>		=	41,666
	12					12			
TOTAL	-----			63,125 tons	TOTAL	-----			141,666 tons

The average grade of indicated and inferred tonnage is a result of diamond drilling, trenching in the zones, stockpiling, crushing a considerable quantity of broken material to 1½ inch size and shipping to the Lacorne mill where samples taken at the classifier overflow averaged 0.20% MoS<sub>2</sub> and 0.025% Bi.

The above tonnages and grade are considered conservative estimates of the mineralized zones as developed to date.

**CONCLUSIONS**

Surface exploration and development to date has outlined a sizeable tonnage of ore grade molybdenite-bismuthinite bearing rock. Projecting the ore zone down dip, the possibility exists that a large tonnage of mineable ore is contained in the main zone.

Two recently discovered showings in the vicinity could well prove to be important additions to overall grade and tonnage.

The discovery area would account for less than 2% of the total acreage within the property boundaries. While the emphasis at this time should most certainly be directed in the further exploration and development of the known molybdenite occurrences, it is quite conceivable that future exploration may turn up other sulphide deposits on the group. It is interesting to note that the newly discovered shear zone containing high grade MoS<sub>2</sub> and located on high ground, is within sight of the Marbridge mining plant, some 2½ miles north. This relatively recent nickel producing operation is located near the contact margin of the same batholith.

However, of prime importance, is the newly discovered shear. With respect to strike length and grade of exposed material stripped to date, this zone should receive first priority in further exploration.

**RECOMMENDATIONS**

Diamond drilling should be initiated to investigate the depth potential of the known ore zones as well as to probe the structures along strike. The possibility of parallel structures existing in the immediate vicinity of the main zone would be investigated during this phase of the drilling.

Bulldozing and rock work currently in progress on the high grade shear should be continued as long as it remains possible and economical to further expose the surface outcropping of the discovery zone. An extensive diamond drilling program already appears warranted on this zone and should have first priority in any drilling program. The south-west exposure on the hillside should also be investigated by diamond drilling.

The magnetometer survey now in progress should eventually be extended to cover the entire property on the basis of 400-foot line intervals. Detail lines should be cut and surveyed over all contact and anomalous areas. Bearing in mind that nickel-copper sulphides exist nearby, it is recommended that an electromagnetic check survey be conducted over all magnetic anomalies.



A minimum of 10,000 feet of diamond drilling is warranted to further investigate the down dip extension of the known ore zone and to explore the recently discovered high grade molybdenite bearing shear to the north. An estimated \$50,000 expenditure would be required to cover the costs of this program which would provide for diamond drilling, core handling expenses, assaying and engineering.

A further \$15,000 would be necessary to continue surface stripping and rock work already in progress and to continue the geophysical program.

A total expenditure of \$65,000 at this time is well warranted, particularly as this is a property of considerable proven merit. Undoubtedly, further exploration and development financing will be necessary for a more comprehensive program.

(Signed) JOHN A. HONSBERGER, P.Eng.

Dated at Val d'Or, Quebec,  
the 30th day of September, 1964.

### CERTIFICATE

I, John A. Honsberger, residing at 1200 Forest Boulevard, Val d'Or, Quebec, do hereby certify as follows:

That I attended the University of Missouri School of Mines and Metallurgy and graduated with a B.Sc. Degree in Mining Engineering.

That I am a member of the Association of Professional Engineers of the Province of Ontario.

That I have no direct or indirect interest whether present or expectant in the claims forming the property of Moly Hill Mining Corporation, Preissac-Lamotte Townships, nor in the shares or securities of that company.

That the report on the Moly Hill Mining Corporation, Preissac-Lamotte Townships property, attached herewith and dated September 30, 1964, is based:

- (a) On detailed examination of previous reports, correspondence and records.
- (b) On government geological maps and reports.
- (c) On personal examination of surface development during two recent visits to the property, the last being August 11, 1964.

(Signed) JOHN A. HONSBERGER, P.Eng.

Dated at Val d'Or, Quebec,  
the 30th day of September, 1964.



# APPENDIX I

List of Development Licenses and Certificates owned by Moly Hill Mining Corporation in Preissac and Lamotte Townships, Abitibi, Quebec.

<u>Certificate No.</u>	<u>Township</u>	<u>Claim No.</u>	<u>Lot No.</u>	<u>Range</u>	<u>Official Acreage</u>	<u>Expiry Date</u>
G-8909	Lamotte	2	4	II	100	Aug. 4, 1965
G-8908	Lamotte	2	5	II	100	Aug. 7, 1965
196554	Lamotte	1	5	I	76	Sept. 7, 1965
196554	Lamotte	2	4	I	76	Sept. 7, 1965
196770	Lamotte	1	7	II	100	Nov. 17, 1964
196770	Lamotte	2	6	II	100	Nov. 17, 1964
201219	Lamotte	1	8	II	100	Jan. 30, 1965
201219	Lamotte	2	3	II	100	Jan. 30, 1965
203486	Lamotte	1	6	III	100	Aug. 8, 1965
203486	Lamotte	2	5	III	100	Aug. 8, 1965
203487	Lamotte	1	4	III	100	Aug. 8, 1965
203487	Lamotte	2	3	III	100	Aug. 8, 1965
203488	Lamotte	1	2	II	100	Aug. 8, 1965
203488	Lamotte	2	2	III	100	Aug. 8, 1965
203489	Lamotte	1	6	I	70	Aug. 12, 1965
203489	Lamotte	2	7	I	70	Aug. 12, 1965
206012	Lamotte	2	10	I	70	Aug. 12, 1965
207262	Lamotte	1	1	II	138	Oct. 29, 1964
207262	Lamotte	2	½S.1	III	69	Oct. 29, 1964
207263	Preissac	1	58	II	138	Oct. 29, 1964
207263	Preissac	2	½S.58	III	69	Oct. 29, 1964
207264	Lamotte	1	N.½1	III	69	Oct. 30, 1964
207264	Preissac	2	N.½58	III	69	Oct. 30, 1964
207264	Lamotte	3	9	II	100	Oct. 30, 1964
215542	Preissac	1	58	I	96	July 14, 1965
215542	Preissac	2	57	I	74	July 14, 1965
215892	Lamotte	1	3	I	74	July 3, 1965
215893	Lamotte	1	1	I	100	July 3, 1965
215893	Lamotte	2	2	I	74	July 3, 1965
217019	Preissac	1	55	II	100	July 14, 1965
217019	Preissac	2	54	II	100	July 14, 1965
217021	Preissac	1	57	II	100	July 14, 1965
217021	Preissac	2	56	II	100	July 14, 1965
18 Certificates		33 Claims		3,032 acres		







